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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Application by SBC Communications Inc.)
for Authorization under Section 271)
of the Communications Act to)
Provide In-Region, InterLATA Service)
in the State of Texas)

00-4
CC Docket No. ~~00-04~~

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Comments of
Communications Workers of America

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Summary

The Communications Workers of America (CWA) submits these comments in support of SBC's application for authority under Section 271 of the Communications Act to provide in-region, interLATA service in Texas. SBC has met the requirements of Section 271 of the Communications Act to open its local markets to competition. In addition, the Texas Public Utility Commission's performance monitoring program, which requires SBC to put \$289 million in bill credits at risk annually for non-compliance coupled with a parallel federal plan which could exceed \$1 billion over three years, provides adequate safeguards against backsliding by SBC and creates incentives for SBC to engage in continuous improvement of its wholesale services.

SBC's entry into the long distance market in Texas is in the public interest. First, it will increase competition in the long distance market, especially for low-volume residential consumers, which will lead to lower prices and new service offerings. Second, it will promote the important goal of the 1996 Telecommunications Act to create good, high-wage jobs in the telecommunications industry.

CWA is in a unique position to comment on SBC's long distance application in Texas. CWA represents more than 8,500 employees at SBC in Texas.¹ CWA represents the Southwestern Bell Telephone Company (SWBT) customer service representatives, technicians, and other occupational employees who work directly with wholesale customers in the dedicated wholesale customer care centers in Texas. CWA also represents employees at AT&T, primarily in its long distance operations, but also in some local service operations. Because CWA represents employees in all segments of the telecommunications industry, CWA must base its position regarding an application by a Bell Operating Company to provide long distance services on the factual evidence regarding Section 271 compliance in that state as well on the public interest merits of the application.

In these comments, CWA will report on interviews that we conducted with CWA-represented employees in SWBT's wholesale customer service centers. The evidence we provide supports the conclusion that SWBT has staffed these wholesale centers with experienced, trained employees who have an in-depth knowledge of SWBT procedures and systems. Further, the interviews provide supporting factual evidence that SWBT's OSS systems and "hot cut" procedures are working to provide CLECs with service that is at parity or better with service provided by SWBT to its retail customers.

¹ Nationally, CWA represents more than 630,000 employees who work in telecommunications and other public and private sector organizations.

I. SWBT Has Met the Market Opening Requirements of Section 271

CWA concurs with the conclusion of the Texas Public Utility Commission (PUC) that SWBT has met the requirements of Section 271 of the Communications Act to open its local network to competition under both Track A and Track B. The evidence is overwhelming that local competition is alive and thriving in Texas. Competitors in Texas serve more than 1.4 million local telephone lines, two-thirds of which are provided through competitors' own facilities. Competitors are exchanging approximately a half-billion minutes of traffic each month over 348,000 interconnection trunks. CLECs serve approximately 12 percent of all access lines in Texas, more than twice the national average.²

CLECs serve approximately 22 percent of all business lines in SWBT's service areas. Their market share is increasing: since April 1998, CLECs have captured more than four of every five new business lines in SWBT's service areas. While CLECs have focused on business customers, they are also serving nearly a quarter of a million residential lines in SWBT's Texas service areas, including more than 73,000 over their own facilities. CLECs serve 3 to 6 percent of all

² Brief in Support of Application by Southwestern Bell for Provision of In-Region, InterLATA Services in Texas, *In the Matter of Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance For Provision of In-Region, InterLATA Services in Texas*, CC Docket No. 00-04, Jan. 10, 2000, i-ii, 7-9 ("*SBC Long Distance Application in Texas*").

residential lines in Austin, Corpus Christi, Dallas/Fort Worth, and Houston markets. SWBT's Operations Support Systems (OSS) have successfully processed 3.7 million CLEC orders.³

After an extensive three-year collaborative process, including independent testing of SWBT's OSS by independent auditor Telecordia, the Texas PUC concluded that SBC satisfied all the requirements of the 14-point competitive checklist. For example, in each of the last three months for which validated data are available, SWBT met the Texas PUC's parity or benchmark standard for approximately 92 percent of submeasures for which there were sufficient monthly data to make an assessment.⁴ As the Commission noted in approving Bell Atlantic's entry into the long distance market in New York, parity with retail performance, rather than perfection, meets the checklist requirement of non-discriminatory access.⁵ While CWA supports regulatory efforts to ensure that SWBT provides high-quality service in both its retail and wholesale operations, in the context of this Section 271 application the record is abundantly clear that SBC is providing

³ Further evidence of thriving local competition in Texas includes these facts. At least 48 CLECs are providing facilities-based local services. Over 100 carriers resell SWBT's local services. These competing carriers operate in 299 of SWBT's 300 local calling areas. SWBT has provisioned more than 166,000 unbundled local loops and 125,000 UNE Platforms. Former SWBT customers have taken more than 448,000 SWBT telephone numbers. *SBC Long Distance Application in Texas*, i-ii, 7-9.

⁴ *SBC Long Distance Application in Texas*, 17-18.

⁵ Memorandum Opinion and Order, *Application by Bell Atlantic-New York for Authorization Under Section 271 of the Communications Act to Provide In-Region InterLATA Services in the State of New York*, CC Docket No. 99-295, FCC 99-404 (rel. Dec. 22, 1999), 176 ("New York Order").

service at or above parity with its retail operations, and therefore is in compliance with each and every checklist item.

II. SWBT Provides Non-Discriminatory Access to its Operations Support Systems

SWBT has established the Local Service Center (LSC) to serve as the single point of contact for CLECS for pre-ordering, ordering/provisioning, and billing and collection. The LSC executes complex transactions that are performed manually for both SWBT retail customers and CLECs. Currently, SWBT operates two LSCs: the larger is located in a new \$5 million facility in Fort Worth, Tx. near the Alliance Airport and another is located in Dallas, Tx. CWA represents the the customer service representatives, communications consultants, and clerical support employees who work in the LSCs. Currently, there are approximately 550 employees in these three job titles.

CWA interviewed LSC customer service representatives to determine whether the staffing, training, and OSS systems used by LSC employees to perform pre-ordering and ordering functions are similar to those of SWBT customer service representatives serving SWBT's retail customers.⁶ Based on the information provided to us by these CWA-represented LSC customer service representatives, we conclude that they are.

⁶ The interviews were conducted on Jan. 25, 2000.

1. Staffing and Training: SBC uses the same staffing center and qualifying test for its LSC personnel as those used for similar titles in SWBT's retail organization. LSC representatives receive training similar to that received by retail representatives but customized to address wholesale methods and procedures. Service representatives receive at least 15 weeks training on how to handle CLEC orders for interconnection, resold residence and business services, UNEs, and billing services; how to receive incoming requests for local service from CLECs; how to assist in handling ordering and billing inquiries for these services and how to review manual orders for accuracy; how to issue service orders for establishing, changing or disconnecting service; and how to correct CLEC-initiated orders which have errored out of OSS.⁷

Service representatives are evaluated and appraised by performance standards that are based on these areas of training.

Staffing levels appear to be adequate to meet demand. (In contrast, CWA-represented service representatives in retail centers frequently report that staffing levels are inadequate to meet demand, particularly in the business offices serving retail residential customers.)

2. OSS Systems. The SBC Application (including the Conway Affidavit and the Ham Affidavit) describe in detail the various electronic systems that SWBT provides to CLECs to facilitate the

⁷ See Conway Affidavit, 25-27.

electronic flow-through of pre-ordering and ordering functions. The service representatives whom we interviewed confirmed that these systems are the same on-line systems used by SWBT retail service representatives for ordering and pre-ordering. In addition, SWBT has developed additional specially-designed pre-ordering and ordering systems for use by CLECs. The electronic interfaces provide CLECs with real-time access to the pre-ordering and ordering information. These electronic systems currently function to provide CLECs with immediate real-time notification if the CLEC representative has filled out the form incorrectly or incompletely, thereby minimizing the number of orders that fall-out of the electronic system. LSC representatives have been instructed to work closely with CLEC representatives to instruct them in proper procedures in order to minimize errors which would cause an order to fall-out of the electronic system.

The service representatives we interviewed confirm that the vast majority of CLEC orders entered via electronic OSS interfaces "flow through" SWBT's systems without manual intervention. Further, they confirm that the flow-through rate has steadily increased as CLECs have gained more training and experience, and as SWBT has improved its electronic interfaces in response to the collaborative process.

While the vast majority of orders flow-through electronically, some CLECs elect not to submit orders via one of SWBT's OSS. In this case, they may submit orders manually. LSC service

representatives have been trained--and indeed are following--the procedures described in the Application and the Conway Affidavit to ensure timely pre-ordering and ordering service.

III. SWBT is Providing Wholesale Competitors with Unbundled Loops

SWBT has established the Local Operations Center (LOC) located in Fort Worth, Tx to serve as the single point of contact for CLECs in connection with the provisioning, turn-up and acceptance testing of all interconnection facilities and unbundled elements. The LOC also handles the receipt of maintenance reports and maintenance work for all resold POTS services. CWA represents the approximately 135 network center technicians and customer service representatives who work in the LOC.

CWA interviewed network center technicians to determine whether the staffing, training, and procedures used by LOC employees provide CLECs with provisioning and maintenance and repair services at parity with SWBT's retail customers.⁸ Based on the information provided to us by these CWA-represented LOC customer service representatives, we conclude that SWBT is.

1. Staffing and Training. The LOC technicians and customer service representatives are career employees who have received the same training and must pass the same tests as employees in

⁸ The interviews were conducted on Jan. 26, 2000.

similar positions in SWBT's retail operations. SWBT continues to increase staffing in the LOC as workload increases. In the meantime, LOC technicians are working many hours of overtime each week to meet CLEC demand for service.

2. Order Provisioning. LOC technicians perform turn-up and testing on the interconnection facilities, message trunks, unbundled elements or resold special service circuits requested by the CLEC. Tests are performed according to the guidelines of the National Operations Forum and results are provided to the CLEC.

The technicians we interviewed noted that the LOC technicians "bend over backwards" to meet the due dates assigned to CLEC orders.

Because the Commission in the Bell Atlantic New York proceeding identified provisioning of hot cuts as an area of particular concern, CWA interviewed LOC technicians regarding hot cut procedures. In response to Telecordia's testing of SWBT's Coordinated Hot Cut (CHC) process, SWBT developed several improvements in its CHC procedure. CWA technicians confirmed that they have been trained in and follow the procedure described in improved CHC procedures as described in detail in the Conway Affidavit. LOC technicians utilize a logging process to track the progress of each CHC. The LOC calls the CLEC 24 hours prior to the scheduled due date to confirm the CHC. The LOC technician notes the date and time of the CLEC's call on the day of

the cut. The name of the central office technician working the cut and the time the process begins are also noted. Once the CHC is completed, the central office technician calls the LOC technician, the time of this call is logged as the completion time of the CHC. The LOC technician then notifies the CLEC that the CHC has been completed.

As noted in the Conway Affidavit, SWBT has worked with AT&T Local Servicee to develop a detailed coordinated hot cut process.

Also as noted in the Conway Affidavit, many of the conversions currently requested to be handled via the coordinated hot cut process could effectively be handled by the Frame Due Time (FTD) process. The technicians we interviewed confirmed that they have been adequately trained and are following the FDT process (where it is utilized by CLECs) as described in the Conway Affidavit.

3. Maintenance and Repair. CWA interviewed LOC technicians who perform maintenance and repair functions for CLECs. These technicians reported that CLEC trouble reports are regarded as "hotter tickets" than those of SWBT's retail customers and are routinely given higher priority in commitment time. The technicians also reported that many of the trouble reports submitted by CLECs, particularly on DSL loops, are reported by dispatched service technicians as "no trouble found." It appears to LOC technicians that some CLECs are gaming the system, accepting loops

without adequately testing at their end, and then calling them in as "troubles" in order to get SWBT to perform what should have been the testing responsibility of the CLEC.

IV. Conclusion: SBC Entry into Long Distance Is in the Public Interest

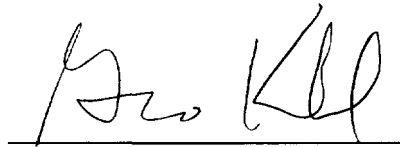
SBC has met the requirements of the 1996 Act to open its local market to competition. The Commission need not fear backsliding by SBC. The Texas PUC has guided the development of a comprehensive performance assurance plan with rigorous performance standards on more than 1,900 measures that requires SBC to put more than \$289 million in refunds at risk each year, in addition to a parallel federal plan which could exceed \$1 billion over three years, if it fails to meet the standards.

SBC entry into long distance in Texas is clearly in the public interest. It will enhance consumer choice in what is now a highly concentrated long distance market. In particular, it will provide new options to low-volume residential long distance consumers who have experienced increased line charges and rising prices in recent years. SBC entry into long distance will stimulate competition to provide long distance services at lower cost to all market segments, including, but not limited to, low-volume residential consumers. In addition, SBC's entry into long distance will stimulate competition based on price and quality to provide new bundled service offerings to

all classes of customers. Finally, SBC entry into long distance will stimulate the growth of high-skilled, good jobs in Texas.

Therefore, CWA recommends that the Commission approve SBC's application to provide inter-LATA services in Texas.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Kohl", written over a horizontal line.

George Kohl
Senior Executive Director

Dated: January 31, 2000